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WENDELL PRIMUS
STAFF DIRECTOR

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**TEMPORARY FEDERAL UI BENEFITS SCHEDULED TO EXPIRE
EVEN THOUGH STATE UI EXHAUSTIONS REMAIN HIGH**

Dear Colleague:

I want to call your attention to the attached chart, prepared by the Joint Economic Committee (JEC) Democrats, showing that the federal Temporary Extended Unemployment Compensation (TEUC) benefits are scheduled to expire at the end of the year, even though the number of people exhausting their state unemployment benefits remains high.

The number of people exhausting their six months of regular state unemployment insurance (UI) benefits remains more than twice as high as it was at the start of the recession in March 2001. The percentage increase in the number of exhaustions is larger than it was in the 1990-91 recession and shows no sign of abating. Nevertheless, the federal Temporary Extended Unemployment Compensation (TEUC) benefits program is scheduled to expire at the end of the year. In past recessions, federal temporary extended benefits were not discontinued until exhaustions of regular UI benefits had fallen considerably.

Last year, the Republicans turned their backs on the unemployed by allowing federal UI benefits to expire while Congress went home for the holidays. A retroactive extension of benefits was passed in the first few days of this year, but it hardly made up for the hardships that the families of the unemployed faced at the holidays. The President and Congressional Republicans should not let this terrible history repeat itself.

Please take the time to view the chart and to understand why the case for extending temporary federal UI benefits now is clear. All of the JEC Democrats' "Economic Points-of-Interest Charts" (E-PICs) can be viewed at <<http://jec.senate.gov/democrats>>. These charts are downloadable for use on the floor or in newsletters.

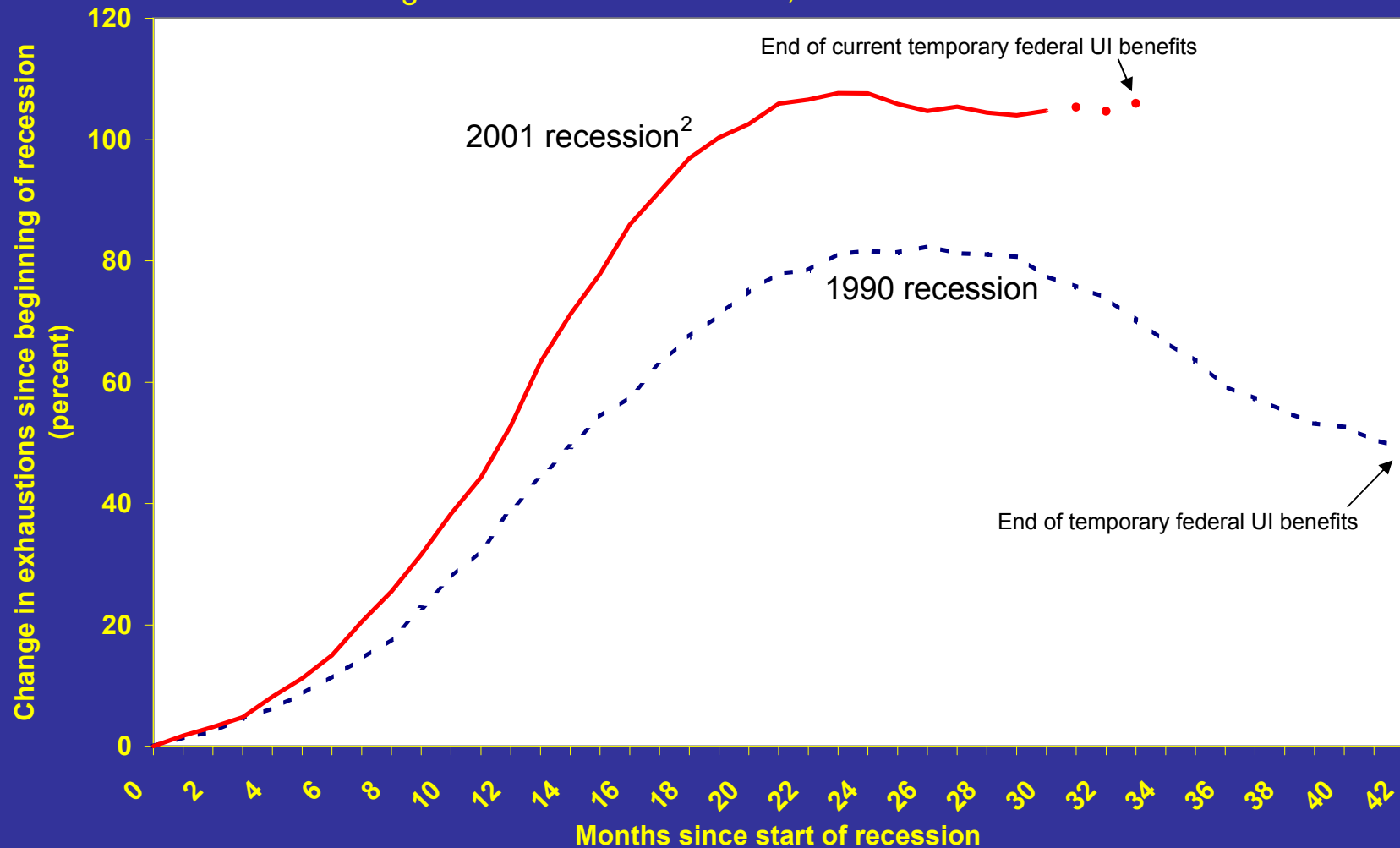
If you have questions about this E-PIC, please talk to me or have your staff contact JEC staff director Wendell Primus at 202-224-0372 or e-mail him at <Wendell_Primus@jec.senate.gov>.

Sincerely,

Pete Stark

Temporary Federal UI Benefits Scheduled to Expire Even Though State Exhaustions Remain High

Percent Change in State UI Exhaustions¹, 2001 and 1990-91 Recessions



Notes: ¹ 12-month moving average of regular state unemployment insurance exhaustions

² Dotted line for 2001 recession are predicted exhaustions for October through December 2003, based on actual first pays and historical exhaustion rates.

Source: Department of Labor; Projections by Joint Economic Committee Democrats.